



NEWS RELEASE

For Immediate Release

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Career Advancement Accounts to be piloted in four regions of Indiana

INDIANAPOLIS (March 29, 2007) – Four workforce development regions have received grants from the Indiana Department of Workforce Development to develop career advancement accounts for 285 Hoosier workers, Governor Mitch Daniels announced today. Career advancement accounts are self-managed personal accounts in which individuals in need of new skills receive funds to pay for expenses related to training and education.

The four grants from the state total \$944,000, which will be matched by an additional \$710,300 by the regions.

The career accounts will be targeted towards adult incumbent, low- to mid-wage workers and workers who are dislocated or who have been affected by a Worker Adjustment and Retraining Notification (WARN) notice.

Indiana's Strategic Economic Development Plan, *Accelerating Growth*, calls for the establishment of the accounts 'to fundamentally recreate the way in which training and education are funded via federal workforce dollars.'

"Career advancement accounts place more training dollars directly into the hands of workers, giving them an element of choice and a greater decision making role in the development of their careers. Instead of funding institutions, we are funding individual workers. It empowers workers by giving them the funds and flexibility to determine their own career goals," the Governor said.

"The overall goal of this program is to help workers successfully enter, navigate and advance in the skills and jobs of the 21st century," said Andrew Penca, Commissioner of the Department of Workforce Development. These accounts represent a new, highly targeted tool aimed at helping certain categories of workers who are in need of new skills and training.

The grants have been awarded to:

- Grow Southwest Indiana Workforce Board, Inc., Evansville, on behalf of Economic Growth Region 11, covering Southwest Indiana. The grant from the state is for \$189,000, which will be matched with \$141,750 by the region for a

total project cost of \$330,750. The grant will fund career advancement accounts for 60 residents of the region.

- Alliance for Strategic Growth, Inc, Muncie, on behalf of Economic Growth Region 6 covering East Central Indiana. The grant from the state is for \$310,000, which will be matched with \$232,500 by the region for a total project cost of \$542,500. The grant will fund career advancement accounts for 80 residents of the region.
- Center of Workforce Innovations, Valparaiso, on behalf of Economic Growth Region 1, covering Northwest Indiana. The grant from the state is for \$70,000, which will be matched with \$54,800 by the region for a total project cost of \$124,800. The grant will fund career advancement accounts for 20 residents of the region.
- Partners for Workforce Solutions, Fort Wayne, on behalf of Economic Growth Region, covering Northeast Indiana. The grant from the state is for \$375,000, which will be matched with \$281,250 by the region for a total project cost of \$656,250. The grant will fund career advancement accounts for 125 residents of the region.

The grants awarded to the regional workforce agencies are a result of a federal grant the state received last fall from the U.S. Department of Labor to pilot the career advancement accounts. Indiana has received \$1.5 million from the federal government.

Under the new program, workers will receive up to \$3,000 per year in their career advancement accounts. If the federal government renews the state grant, the accounts may be renewed for one additional year for a two-year account of up to \$6,000 per worker. Individuals can use these funds to pay for expenses directly related to education and training at a variety of training and education providers, including community colleges and trade and technical schools. Allowable expenses include tuition, fees, textbooks and related charges.